

**Governor's Rural Affairs Council  
Meeting Minutes – December 1, 2016**

**1. The meeting was called to order by Lt. Governor Evelyn Sanguinetti at 11:03 a.m.**

**2. Roll Call**

**Member Agencies Present:**

Illinois Department on Aging, Burt Weber  
Illinois Department of Agriculture, Rebecca Clark  
Illinois Department of Natural Resources, Steve Ettinger  
Illinois Department Employment Security, Shelly Tweedy  
Illinois Department Employment Security, Jeff Fulgenzi  
Illinois Department of Public Health, Don Jones  
Illinois Department of Transportation, Rich Brauer  
Environmental Protection Agency, Amy Walkenbach  
Illinois Community College Board, Karen Hunter Anderson / LaVonne Nelson  
Southern Illinois University, Kim Sanders  
Illinois Institute for Rural Affairs, Christopher Merrett  
Illinois Finance Authority, Patrick Evans  
Illinois Agriculture Association, Brenda Matherly  
Rural Partners, Blanche Shoup  
Illinois Department of Public Health, Don Jones  
Illinois Department of Commerce and Economic Opportunity, Victor Narusis (phone)

Not Present:, Illinois Department of Human Services, State Board of Education, University of Illinois Extension, Illinois Housing Development Authority,

**Citizen Members Present:**

Luke Allen  
Todd Kaeb  
Sonja Reece  
Doug Hanks  
Larry Richards  
Not Present: Heather Hampton Knodle

**Nonvoting Members Present**

Colleen Callahan, USDA  
Norman Walzer, NIU

**Lt. Governor's Office Present:**

Evelyn Sanguinetti, Derek Cantu, Susan Wynn Bence, and Brian Costin

**Quorum determined.**

### **3. Opening Remarks**

Lt. Governor Sanguinetti provided a brief overview of “Highlights” from the Illinois State Fair. The 2016 theme was focused on growing the rural economy. Its specific theme was “producing our future”, which focused on rural youth. The fair showcased two small businesses each day. The Lt. Governor also highlighted the importance of the DuQuoin State Fair – drawing attention to the counties and communities in the southern part of the state.

Lt. Governor Sanguinetti mentioned that she had attended the 2016 Farm Progress Show held in Boone, Iowa, which is the nation’s largest farm event. The 2017 Farm Progress Show will be held in Decatur, Illinois. The Lt. Governors from neighboring states such as Iowa, Missouri, Indiana, and Wisconsin plan to meet this year at the show hosted by Illinois.

Lt. Governor Sanguinetti concluded her opening remarks by congratulating the working groups for all of their efforts and hard work during 2016.

#### **4. Approval of July 26, 2016, Meeting Minutes Governor’s Rural Affairs Council: Motion passed to approve.**

Sonja Reece made a motion to approve the minutes. Blanche Shoup seconded the motion. Motion passed.

#### **5. Motion to approve Working Group Meeting Minutes: Motion passed to approve.**

Doug Hanks made a motion to approve the minutes. Luke Allen seconded the motion. Motion passed.

### **6. Working Group Summary Update**

#### **A. Economic Development – Co-Chairs: Todd Kaeb and Heather Hampton Knodle (absent).**

Kaeb reported: The group is focusing on education so that all resources could be combined into one informational contact; thus, resulting in one phone call. Ideas include:

1. **Use Programs Already in Place.** The group recognizes that there are many good programs in place already and we need to make better use of existing programs.
2. **Build Multi-tier Communication Process.** This point recognizes that there are local, state, and federal programs that address local (i.e. business specific), regional and statewide needs. There is a sense that we could be doing a better job of communicating to businesses about these diverse resources. The point specifically made here was that we have a multi-tiered system of business support that needs to be deployed more effectively to help the local entrepreneur

3. **The IIRA Rural Resource Guide.** The Rural Resource Guide was mentioned as a possible support to this initiative. The IIRA Rural Resource Guide is a searchable database that includes a broad selection of all community and economic development programs offered by DCEO, USDA, Illinois Department of Agriculture, Illinois Finance Authority, Illinois Department of Transportation, University of Illinois Extension, IDNR, and many other agencies. Grants, loans, and technical assistance can be searched by department / agency, program name, and key word. While this is key starting point, the economic development group thinks that having real-time support for new business startups would be helpful, too. The Rural Resource Guide is available on the IIRA website and the GRAC / Lt. Governor website.
4. **Rural Resource Rally.** The Rural Resource Rally is an initiative started by the USDA with support from the IIRA and local economic development agencies. Instead of individual businesses or communities having to call or travel to Springfield to interact with individual departments or programs, the Rural Resource Rally brings multiple state and federal agencies to a single location and invites businesses and communities to pitch their projects. This is an innovative strategy that can make business and economic development easier. There have been two Rural Resource Rallies so far, with the most recent one occurring in Quincy.

**B. Workforce Development – Co-Chairs: Norman Walzer and Doug Hanks.**

Walzer reported: The group is focusing on best practices and manufacturing for rural areas. New ideas that could work in Illinois include:

1. **Apprenticeships for Entrepreneurs.** Apprenticeships have long been associated with trades and vocational occupations. Apprenticeships can also work for entrepreneurs where new business owners can learn and make mistakes in a more controlled setting before launching out in the real world. For example, an entrepreneur could serve an apprenticeship in a neighboring community with an existing company in a relevant field. One challenge could be transportation to and from the apprenticeship.
2. **Population / Retirements.** According to many studies, there could be a looming wave of retirements for many skilled occupations in healthcare, manufacturing, sole proprietorships, and many other sectors. Are we prepared to fill these positions? Can we get people to stay in workforce longer to help mitigate the impacts of these retirements? How can we recruit millennials into key careers to offset these imminent retirements?
3. **Supply Chain Sector Workforce Issues.** An example of a shortage affecting the economy right now is in the trucking sector. Trucking is an important part of the supply chain of getting goods to the consumer. Despite recent reports about driverless trucks, it turns out we need drivers now.

One strategy for addressing this shortage is to look at regulations. For example, CDL license requirements in Illinois do not allow drivers under 21 to cross into other states. Could we commend changing the age or making some other adjustments to expand the interstate trucking workforce?

4. **Offering Training Certificates.** Another strategy for addressing workforce shortages is to offer alternative certifications that might cost less or take less time to complete, while still ensuring that workers have rigorous training to do their jobs effectively.

Blanche Shoup announced the Robotics in Manufacturing Competition will be held on March 16, 2017, Peoria, IL. Norm Walzer added that the McKinsey Report recently discussed the elimination of jobs due to the increase of robotics.

#### **C. Health – Co-Chairs: Sonja Reece and Larry Richards**

Reece introduced Bert Weber and requested that Kim Sanders present the report. Sanders reported: The group is focusing on healthcare in rural areas. Several specific issues and ideas include:

1. **Mental Health and Rural Drug Abuse.** Mental health and substance abuse in prescription drugs. Prescription drug abuse is a huge but underemphasized issue. A specific example of this abuse is opioid drug abuse such as the overuse of OxyContin. The opioid prescription drug abuse issue is also connected to the rising heroin abuse issue, which is particularly present in rural counties.
2. **Healthcare Summit Outcomes.** The rural healthcare summit's attendance was over 100; 28 counties represented; all counties that attended the summit drafted EMS action plans for their community.

Reece added that the latest issue is that individuals are taking animal medications which is a new area of concern.

#### **D. Education – Co-Chairs: Christopher Merrett and Luke Allen.**

Merrett reported: The group is focusing on linking entrepreneurship and education as a way to enrich education while spurring rural economic development. Ideas include:

1. **CEO Program.** The Creating Entrepreneurial Opportunities (CEO) program is an excellent way to incorporate entrepreneurship and small business development into the high school curriculum. The expected outcome of promoting the CEO program in rural high schools is that it will enrich the high school educational experience while enriching community sustainability because young people might be more willing and able to start small businesses in rural places.

The IIRA has invited the CEO program to give presentations in Carthage, Quincy, Moline, and Macomb. Carthage started a CEO program in 2016. Macomb is in the early stages of starting a CEO program, too.

2. **Ag-Education, Value-Added Agriculture, and Entrepreneurship.** An important cross-sectoral angle on the CEO program is to explore how young farmers can be inspired to start Ag-related business, which can augment farm operations. Luke Allen has been talking to CEO representative Cheryl Mitchell to have her speak to Ag students about entrepreneurial opportunities.
3. **Entrepreneurial Education and Business Succession.** One of the challenges identified by the workforce group is retirement and looming skilled worker shortages. There will also be a retirement of many small business owners in rural places. The CEO program and similar training programs might help rural places keep these businesses open by encouraging a new generation of entrepreneurs that can take over existing businesses, not just start new businesses.
4. **Rural/Urban Disparity in Access to Diverse Courses.** Students in urban communities can take advanced placement courses/dual credit courses. Many rural areas can't offer these classes because of low teacher salaries, school funding inequality between rural and urban places, and lack of broadband, among a range of challenges.

Allen Reported:

5. **Online Ag Classes.** Illinois will be the first state to offer online Ag classes. This could help expand Ag education across Illinois. It was also noted that it only take five students to start an FFA (Future Farmers of America) chapter. These are two initiatives that might help expand Ag education and an appreciation of agriculture across Illinois.
6. **Student Teacher Background Checks.** Each student teacher is required to pay for a background check. The challenge for these fledgling teachers is that each county requires a separate background check which costs students extra money. This can result in a new student having to pay hundreds of dollars over and above existing college tuition, books, and other expenses. One suggestion is to have a single background check that is recognized across multiple counties and jurisdictions. This would save time and money for student teachers and reduce bureaucracy.
7. **State Budget Impasse.** Money for career tech education is being held up by the state budget impasse. The budget stalemate is causing lots of problems for teachers in multiple ways.

Lt. Governor Sanguinetti stated she is a big fan of the CEO program and she is willing to help where she can. She also questioned whether school consolidation would help provide AP credits for students.

## 7. Department of Commerce and Economic Opportunity

Lt. Governor Sanguinetti introduced Victor Narusis. Mr. Narusis formerly worked in local economic development in Huntley, Illinois, before becoming the Illinois Department of Commerce Deputy Director for Business Development. In his comments, Narusis reported:

1. **Redefining DCEO.** DCEO is trying to re-craft the idea of who DCEO is to be a better drive of business and economic development. Mr. Narusis stated that economic development (ED) is more than just incentives. The state of Illinois needs a more engaged approach to ED to increase the state's competitiveness.
2. **Increased Effectiveness.** DCEO would like to help communities and businesses by decreasing the time for decisions to be made. For example, he would like to have site selection decisions / approvals made in 5-10 days.
3. **Rural Economic Development.** Mr. Narusis described rural development as a "Rural Economic Development Puzzle." There are some key missing pieces that are needed to form a Regional Education Initiative to spur more effective rural ED.
4. **Key pieces to the puzzle include:**
  - a. **Team RED.** Team RED (Regional Economic Development) works with local economic developers, chambers, etc. to help companies to be successful. Team Red helps coordinate with IDOT, EPA, etc.
  - b. **CORE.** DCEO will work with economic developers to collect information from businesses to understand what is going on in business and current business trends. This is essentially a business retention and expansion (BR&E) plan that adopts a more holistic approach. It aims to focus on community development, infrastructure, IDOT, and whatever resources are available to businesses to keep business in operation. And DCEO wants to be part of this team.
5. **Summary Points.** Narusis continued that the greater need for business development in Illinois includes:
  - a. Stronger statewide coordination – work with businesses, state agencies, and education to make sure ED stakeholders know the programs available to them.
  - b. Team RED – fill open positions.
  - c. CORE initiative implemented to upgrade the BR&E effectiveness.
  - d. Regional education approach to deliver tailored program to fit each region's unique needs.
  - e. Focus on target industries – automotive, agri-business.
  - f. Workforce coordination.
  - g. Build puzzle pieces in coordination with Lt. Gov/GRAC to help leverage assets

Lt. Governor Sanguinetti opened the floor for questions. Discussion followed.

## 8. Regional Economic Development Panel

Lt. Governor Sanguinetti introduced the panel.

### **Ryan McCrady, President, Economic Development Corp. of Decatur & Macon County.**

McCrady provided a brief overview of the Decatur Economic Development Corporation.

Problems Decatur is currently facing include:

1. **Rural Transportation.** Getting workers to work without a county-wide transportation system. Many workers do not have their own vehicles but live in smaller towns surrounding Decatur.
2. **Student Workplace Readiness.** Students need exposure to the workplace environment. This includes hard skills, but also soft skills such as punctuality, appropriate dress, and decorum.
3. **Farm Progress Show.** This is an enormous undertaking and is a showcase for Decatur and central Illinois.
4. **Attracting and Retaining Millennials.** Downstate and rural Illinois has to figure out how to stop exporting our youth. We need to work on ways to market our community and lifestyle in central Illinois.

### **Joi Cuartero Austin, Economic Development and Marketing, Great River Economic Development Foundation (Quincy, Illinois).**

Issues affecting Quincy include:

1. **Stronger Regional Partnerships.** Quincy and other communities need to work more closely to advance the economy of west-central Illinois.
2. **Workforce development.** This is an ongoing challenge as we need young workers to have the skills in an evolving economy.
3. **InspireWorks.** Quincy is exploring this online web-based program geared toward increasing education for K-12 students. This program can help students expand skills in STEM-related skills such as robotics. This is an afterschool program.

### **Jonathon D. Hallberg, Executive Director, Jefferson County Economic Development**

**Corporation, Mt. Vernon, Illinois.** Hallberg passed out a handout which provide a profile of the Mt. Vernon area. Problems identified in Mt. Vernon include:

1. Down in overall retail sales.
2. E-commerce threat to state tax revenue – losing revenue when purchases are not taxed.
3. Funding for small municipalities.
4. Concerns about retail storefronts changing – corporations are holding off on building brick and mortar stores.
5. Population loss.
6. Housing needs.
7. Lifestyle activities for youth – how to get them to stay.
8. Focus on retention.

Lt. Governor Sanguinetti opened the floor for questions. A discussion followed. Lt. Governor Sanguinetti asked the panel what reforms they think are needed for ED in Illinois.

**McCrary noted these reforms:**

1. Retain low cost utilities.
2. Workers comp reform.
3. Fiscal certainty – uncertainty kills deals.
4. Property tax funds municipalities.

**Austin noted these reforms:**

1. Incentive technology
2. Keeping millennials here – quality of life
3. Investments – housing, downtown commerce, lifestyle activities
4. Property tax values

**Hallberg noted these reforms:**

1. Workers compensation reform
2. Uncertainty with budget issues
3. Pension reform
4. Infrastructure investments
5. Sales tax/restructure use tax/online sales
6. Shore up investments in workforce development

**9. New Business**

Lt. Governor Sanguinetti stated this will be discussed at the next meeting.

**10. Member Updates and Reports**

**Illinois Department of Employment Security, Jeff Fulgenzi**

- Efforts for apprenticeships.

**Northern Illinois University, Norman Walzer**

- NIU and IIRA report – Community Supported Enterprises.
- IIRA Conference.

**Illinois Institute for Rural Affairs, Christopher Merrett**

- IIRA Conference, March 8-9, 2017, Springfield, IL.
- Rural Resource Rally – USDA.
- Expanded SBDC to include the Quad Cities and opened an International Trade Center.



**Environmental Protection Agency, Amy Walkenbach**

- Legislation pending regarding lead issues in water and school testing.

**Rural Partners, Blanche Shoup**

- Annual membership drive for Rural Partners.

**Illinois Community College Board, LaVonne Nelson**

- Task force for CDL shortages.
- Presenting at workforce meeting in March.

**Illinois Finance Authority, Patrick Evans**

- Local banks to promote business for veterans.

**USDA, Colleen Callahan**

- Federal government advising.
- Rural Resource Rally – regional.
- Need high speed internet.
- Need clean water.

**Illinois Department of Agriculture, Rebecca Clark**

- Launched “Homegrown by Heroes” – for veterans who opt for a second career in agriculture.

Lt. Governor Sanguinetti reminded all to send Susan Bence agenda items for the next meeting.

**11. Public Comments**

None made

**12. Adjournment**

**A motion to adjourn the meeting was made/Motion Carried**

A motion was made by Sonja Reece to adjourn. The motion was seconded by Jeff Fulgenzi. The motion passed. Meeting was adjourned at 1:06pm.

***Respectfully Submitted by***

Chris Merrett

Illinois Institute for Rural Affairs

Western Illinois University